

Message Text

LIMITED OFFICIAL USE

PAGE 01 JIDDA 06293 181443Z

70

ACTION NEA-10

INFO OCT-01 AF-08 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

ERDA-05 AID-05 CEA-01 CIEP-01 COME-00 EB-07 FPC-01

INT-05 OMB-01 SAM-01 OES-06 STR-04 TRSE-00 ACDA-07

FEA-01 /110 W

----- 082427

R 181400Z SEP 76

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 5881

INFO USINT BAGHDAD

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMCONSUL DHAHRAN

AMEMBASSY DOHA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY TRIPOLI

AMEMBASSY BEIRUT POUCH

LIMITED OFFICIAL USE JIDDA 6293

E.O. 11652: N/A

TAGS: ENRG, POL, SA

SUBJECT: YAMANI INTERVIEW

1. JOURNALIST EDWARD SHEEHAN, WHO IS DOING ARTICLE FOR NEW YORK TIMES MAGAZINE SECTION, SAW MINPET YAMANI FOR ABOUT FIVE HOURS SEPTEMBER 14 AND PASSED ON TO US YAMANI'S COMMENTS ON THE VARIOUS SUBJECTS DISCUSSED AS FOLLOWS: (SHEEHAN ASKS THAT INFO BE HELD IN DEPT AND NOT DIVULGED TO ANY OF HIS COMPETITORS).

2. OIL PRICES. YAMANI SAID SAG OPPOSED TO SPECIAL OPEC

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 JIDDA 06293 181443Z

MEETING BEFORE DECEMBER BUT HAD NO OBJECTION TO PRICE

RISE IN JANUARY. SAG THOUGHT WORLD ECONOMY WOULD BE ABLE ABSORB REASONABLE INCREASE OF 5-10 PERCENT. IRAQIS, LIBYANS AND NIGERIANS WERE DEMANDING UP TO 30 PERCENT RAISE AND THERE WOULD BE SERIOUS FIGHT AT DOHA, BUT SAG WILL PREVAIL. OPEC WILL REMAIN STRONG AS LONG AS SAUDI RABIA DOES NOT PRODUCE AT ITS 12 MILLION BPD CAPACITY.

3. OIL CUTBACKS. YAMANI SAID THERE NO SERIOUS DEBATE WITHIN SAG ON PRODUCTION LEVELS; THERE WOULD BE NO REDUCTION BELOW 8.5 MILLION BPD LEVEL UNLESS THERE STRONG REASONS TO DO SO, OR EMERGENCY SITUATION. YAMANI SAID SAG WAS NOT LINKING OIL PRODUCTION OR PRICE TO PEACE EFFORTS, BUT NOTED THAT SAUDI ARABS' PATIENCE NOT NECESSARILY BOUNDLESS.

4. BOYCOTT. SAG WILL NOT CHANGE ITS LAWS, YAMANI SAID. PROBLEM WILL BE ONE FOR AMERICAN COMPANIES TO FACE, AND EVEN IF SAG DOESN'T RETALIATE, THEY WILL LOSE BUSINESS. SAG WOULD NOT RAISE OIL PRICE IN RETALIATION, AS THAT WOULD HURT EUROPEANS AND OTHERS MORE.

5. DEVELOPMENT PROBLEMS. SAG EXPECTS THAT, UNTIL INFRA-STRUCTURE BUILT UP, THERE WILL BE ABSORPTION PROBLEMS, WASTER AND CORRUPTION. BUT PROGRESS CAN'T WAIT UNTIL ALL BOTTLENECKS REMOVED. IT IS, HOWEVER, HAMRING SOCIAL STRUCTURE.

6. LEBANON. YAMANI SAID SAG IS NEUTRUAL IN ANY INTER-ARAB QUARREL; IT DOES NOT WANT A VICTORY OF THE RADICALS IN LEBANON BUT IS NOT SUPPORTING ANY FACTION. IT IS SENDING OIL TO MOSLEM AREAS AND TO SYRIA, HOWEVER, (SYRIANS ARE BEING CHARGED MARKET PRICES BUT HABA BEEN ADVANCED OVER \$500 MILLION-YAMANI SAID HE DID NOT HAVE THE FIGURE-IN LOANS TO PAY FOR THE OIL).

7. SAG AID TO EGYPT. SINCE 1973, THIS HAS TOTALLED \$11 BILLION, ACCORDING TO YAMANI.

8. YAMANI'S OFF-THE-RECORD ASSESSMENT OF PRINCE FADH: PRINCE FAHD IS VERY AMBITIOUS, AND HAS A THIRST FORMORE POWER. HE WILL TRY TO FILL THE VACUUM CREATED BY FAISAL'S LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 JIDDA 06293 181443Z

DISAPPEARANCE; HE IS INTELLIGENT, BUT NOT AS SYSTEMATIC IN HIS WORK HABITS AS FAISAL WAS. IS FAHD LAZY? WHEN DISAPPOINTED, HE TENDS TO WITHDRAW FROM A TASK AND HENCE MAY SEEM LAZY; BUT HIS WITHDRAWAL FROM AFFARIS IS ONLY BRIEF, AND IS MADE UP BY SUBSEQUENT APPLICATION HE WILL GIVE TO A JOB. HE LACKS FAISAL'S MORAL AUTHORITY, BUT THEN FAISAL HIMSELF DID NOT ACQUIRE THIS MORAL AUTHORITY OVERNIGHT. YAMANI HAD NO DOUBT THAT FAHD WISHED, EVENTUALLY,

TO BECOME KING. HE COMMENTED ALSO THAT ALTHOUGH THERE WERE SOME DISAGREEMENTS WITHIN THE CIRCLE OF SENIOR ROYAL PRINCES ABOUT A YEAR AGO, A SATISFACTORY WORKING RELATIONSHIP HAS BECOME ESTABLISHED BETWEEN THE SENIOR MEMBERS OF THE ROYAL FAMILY, SPECIFICALLY INCLUDING PRINCE ABDULLAH.

9. WHO IS NUMBER 1: SPEAKING ABOUT KING KHALID, YAMANI SAID THE KING IS NOT, REPEAT NOT, STRONGER THAN EXPECTED, BUT IF HE SAYS NO ON AN ISSUE OR TO A QUESTION, NOTHING CAN HAPPEN. FAHD PROVIDES STRONG LEADERSHIP IN THE COUNCIL OF MINISTERS, AND TENDS TO RUN THE COUNCIL'S AFFAIRS WITH THE COOPERATION OF OTHERS IN THE CABINET, ESPECIALLY PRINCE ABDULLAH. THE LATTER COOPERATES FULLY WITH KING KHALID; PRINCE SULTAN IS NOT AS POWERFUL AS HE HAD BEEN BEFORE. AS FOR THE KING HIMSELF, HE IS TRULY A GOOD MAN, HONEST, WITH A GOOD HEART, AND IS LOVED BY ALL. HE HAS A "PRIMITIVE INTELLIGENCE" AND IT HAS NOT BEEN FORMALLY TRAINED BY SCHOOLING OR EVENTS. HE LOVES TO TALK, AND HE PERMITS OTHER MEMBERS OF HIS GOVERNMENT TO JOIN IN THE DISCUSSION--BOTH TRAITS DIFFERING SHARPLY FROM THE PRACTICE OF KING FAISAL'S TIME.

10. YAMANI'S WANING INFLUENCE? YAMANI THROUGHOUT WAS AT PAINS TO REFUTE RUMORS THAT HIS INFLUENCE IN THE GOVERNMENT IN GENERAL, AND OVER OIL AFFAIRS IN PARTICULAR HAD DIMINISHED SINCE KING FAISAL'S DEATH. HE SAID THIS WAS NOT TRUE AT ALL, AND THAT HE STILL BORE PRIMARY RESPONSIBILITY FOR FORMULATING THE KINGDOM'S OIL POLICY, AND THIS HIS RECOMMENDATIONS WERE VIRTUALLY SYNONYMOUS WITH THE KINGDOM'S OIL POLICIES.

11. COMMENT: WE NOTE AGAIN THESE ARE YAMANI'S OWN VIEWS THAT ARE BEING PASSED ON.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 JIDDA 06293 181443Z

HORAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, PRESS CONFERENCES
Control Number: n/a
Copy: SINGLE
Draft Date: 18 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976JIDDA06293
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760353-1215
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760945/aaaabmwg.tel
Line Count: 155
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 09 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 JUN 2004 by ElyME>; APPROVED <06 OCT 2004 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: YAMANI INTERVIEW
TAGS: ENRG, PFOR, SA, (YAMANI, AHMAD ZAKI)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006